



**Performance and Finance Select
Committee**

12th June 2007

**Report from the Director of
Policy and Regeneration**

For Information

Wards Affected:
ALL

**Report Title: Effects of Primary Care Trust Turnaround Plan
on the Local Area Agreement**

1.0 Summary

- 1.1 This report sets out the effects of specific savings in the Primary Care Trust (PCT) budget on aspects of the Local Area Agreement (LAA).

As members are aware, due to overspend both in the Brent tPCT and the NHS as a whole, Brent tPCT have been ordered to make savings on their budget. The PCT have produced a Turnaround Plan (Financial Savings Plan) to address these budget savings. The package of savings is a rolling package, subject to change and amendment.

2.0 Recommendations

- 2.1 Performance and Finance Select Committee are recommended to note the anticipated effects of PCT budget cuts on performance in the LAA.
- 2.2 Performance and Finance Select Committee are recommended to use the information provided in this report to inform further debate on the effect of PCT cuts on Brent Council.

3.0 Detail

- 3.1 The LAA is made up of a set of projects and targets led by different Council Services and Partners. The PCT are responsible for one section of the LAA, the Longer Healthier Lives section, and for one stretch target, increasing the number of people who stop smoking using NHS smoking cessation services.

- 3.2 Health is a major part of the LAA. Not only does it comprise one of the themes of Brent's LAA as described above, we are also required as part of the LAA to demonstrate that we are actively reducing health inequalities in the Borough. Failing to be able to demonstrate this could result in the LAA being given a lower level rating. Brent is currently rated as amber out of a scale of red to green. The Government Office for London, responsible for deciding Brent's rating, stated the risks around health as the main factor holding Brent back from being rated as green.
- 3.3 Members are aware that the PCT has been experiencing budget difficulties. The Turnaround Plan produced to address these budget difficulties has led to changes in services to reflect the need to save money. The constraints the budget difficulties present could have an impact on the LAA. The attached report attempts to estimate the impact of the relevant changes to services on the LAA.
- 3.4 The attached report is based on our understanding of changes to services included in the PCT Turnaround Plan, Plan B and an information briefing compiled for Ministers. The report provides information on what the change to service includes, the area of the LAA it could potentially impact upon, and what effect it could have. These changes to service have been and will continue to be subject to change. We will keep Members abreast of any changes.
- 3.5 We have identified two areas of the LAA most at risk from these changes to services:
- Teenage pregnancy rates are high in Brent, and have continued to rise in previous years. The latest figures for teenage pregnancies in Brent show that there was a slight decrease in the number of pregnancies over the last couple of years. The Turnaround Plan includes plans to reduce the services available to teenagers to prevent pregnancies by up to a third.
 - Smoking cessation is one of the LAA stretch targets. Stretch targets attract performance reward grant if we achieve a slightly more challenging target. The Turnaround Plan proposes to reduce some of the services and products available to help people stop smoking. There is the intention to devise a new cessation support programme for the financial year 2008/09, but the loss of one year's services and numbers of people who stop smoking could mean that Brent do not reach the target at the end of three years.

4.0 Financial Implications

- 4.1 There are no direct financial implications to the Council of not achieving the LAA requirements to reduce health inequalities. Should the PCT changes to services have an impact on achieving the various stretch targets listed in the report, Brent will be unable to claim the full performance reward grant at the end of three years of the LAA.

5.0 Legal Implications

5.1 There are no direct legal implications arising from this report.

6.0 Diversity Implications

6.1 There are no direct diversity implications in this report, although the report does highlight the impact the PCT cuts could have on different sectors of the population in Brent.

7.0 Staffing/Accommodation Implications (if appropriate)

7.1 Not applicable

Background Papers

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